

ASSEMBLY BILL

No. 529

Introduced by Assembly Member Blumenfield

February 25, 2009

An act to add Section 17216 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 529, as introduced, Blumenfield. Income tax: Golden State Scholarshare Savings Trust.

The Personal Income Tax Law authorizes various deductions in computing income that is subject to tax under that law.

This bill would, for taxable years beginning on or after January 1, 2010, authorize a deduction under that law for the amount, not to exceed \$5,000 or \$2,500, as specified, contributed to the Golden State Scholarshare Savings Trust during the taxable year.

This bill would take effect immediately as a tax levy, but its operative date would depend upon specified factors.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17216 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17216. (a) For each taxable year beginning on or after January
- 4 1, 2010, there shall be allowed as a deduction, subject to
- 5 subdivision (b), an amount equal to the amount of contributions
- 6 made by a taxpayer for the taxable year to the Golden State

1 Scholarshare Savings Trust, as defined by Section 69981 of the
2 Education Code.

3 (b) (1) For married couples filing joint returns, heads of
4 household, and surviving spouses, as defined in Section 17046,
5 the deduction shall not exceed five thousand dollars (\$5,000).

6 (2) For individuals or married couples filing separately, the
7 deduction shall not exceed two thousand five hundred dollars
8 (\$2,500).

9 (c) The deduction allowable under this section shall be taken
10 with respect to the taxable year in which the contribution was
11 made.

12 (d) This section shall become operative when a source of funding
13 is identified by the Legislature to offset the costs to the state in
14 allowing the deduction under this section.

15 SEC. 2. This act provides for a tax levy within the meaning of
16 Article IV of the Constitution and shall go into immediate effect.
17 However, the provisions of this act shall become operative on the
18 first day of the first calendar quarter commencing more than 90
19 days after a source of funding is identified to offset the cost to the
20 state in allowing the deduction pursuant to this act.